(e) The organisational structure as well as staffing of SEBI have been treated as an internal matter of SEBI. However, the Government have brought the report of IFC, Washington, to the notice of SEBI.

Dealers operating in SBI Overseas branches

3482. SHRI SUKOMAL SEN :
SHRI SUNIL BASU RAY :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that according to RBI guidelines the main duty of a "Dealer" is to operate in the Inter-Bank market and ensure that over familiarity of the Dealer with the customers is prohibited;

(b) if so, whether the Overseas Branches at Bombay, Madras and New Delhi have posted "Dealer" to deal in the Inter-Bank market and thereby decentralise the Dealing and Cover Operations of Foreign Department, Calcutta; and

(c) whether by allowing the "Dealers" at those Overseas Branches to quota rates to customers the State Bank Management is violating the RBI guidelines regarding over familiarity of dealers with the customers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Reserve Bank of India (RBI) have reported that as per their guidelines dealers are to operate in the interbank market according to the standards laid down by the management of banks from time to time and in the best interests of the bank. They are a!sd to provide an effective and quick feedback to the management. The larger banks may find it advisable to deal selectively with customer enquiries regarding rates and also conclude business with them in the dealing department itself instead of in the foreign exchange department. These guidelines further provide that the dealers attending to customer business should, as far as possible, be distinct from the dealers in interbank market.

(b) and (c) State Bank of India (SBI) have reported that the dealing rooms at Bombay, New Delhi and Madras have been established solely out of commercial necessity with a view to withstand emerging competition in foreign exchange area from other banks, especially foreign banks. This has not been done with a view to decentralising foreign exchange dealings and commercial operations which continue to be centralised at the Foreign Department, Calcutta. The dealing rooms at the above centres quota rates in consultation with and guidance of the Foreign Department, Calcutta to obviate the necessity of operating offices having to contact Foreign Department, Calcutta through the normal communication channels. SBI's dealing rooms are connected to Foreign Department, Calcutta exclusive leased lines.

Shifting of SBI Centres

3483. SHRI SUKOMAL SEN :

SHRI SUNIL BASU RAY :

Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank Management is considering to close down the Dealing Centres at Bombay, Madras and New Delhi Overseas Branches and to abolish the posts of Dealers by replacing them with Care Centres and "Rate Officers";

(b) if so, what are the details thereof; and

(c) if not, what are the reasons there for ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(h) Does not arise.

(c) Dealing. centres have been set up at Bombay, Madras and New Delhi by State Bank of India solely out of commercial necessity and they continue in the interest of better customer service.